

$$\frac{\text{Total allocable additional section 263A costs incurred during the test period}}{\text{Total section 471 costs remaining on hand at each year end of the test period}} = \frac{\$90 + 137 + 167}{\$1,000 + 1,400 + 2,100} = \frac{\$394}{\$4,500} = 8.76\%$$